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Rural Lines

RURAL ELECTRIFICATION ADMINISTRATION • U. S. DEPARTMENT OF AGRICULTURE

JUNE
1958



BORROWERS & DEALERS MAP STRATEGY SEE PAGE 3



A Message from the

ADMINISTRATOR

RURAL AMERICA has rolled up its sleeves to help put the national economy back on the tracks.

Grass roots response to President Eisenhower's call for expediting of needed construction and equipment purchases, as an aid to employment and trade, was immediate and healthy. I've received scores of letters from REA-financed rural electric and telephone systems detailing their "speed-up" activities. Individually, the things they are doing are the little, down-to-earth, easily-overlooked things that spell the American way of life; collectively, the contribution to the nation's well-being is substantial.

A letter from R. L. Cleaves, manager of the Chippewa Valley Electric Cooperative in Wisconsin, is typical:

"It has never been our policy to over-stock supplies unless it was certain a substantial saving would be realized.

"However, in our own small way we are doing our bit to help stimulate business. Recently we purchased a \$1,300 Digger Truck unit, 100 poles and line hardware to move ahead with our conversion work. We have also put on four extra men to brush out some new right-of-way and clean out under some of the existing lines.

"This isn't much, we know, but in a unified effort I am sure that it would help."

Yes, Mr. Cleaves, it will help. Americans learned, nearly 200 years ago, the value of unified effort and common-sense actions.

Rural Lines

David G. Hamel

Administrator.

THIS MONTH'S COVER

The man with the drum isn't kidding when he tells the world he knows 20 ways to boost power sales. The successful campaigns described in this issue cover dryers, ranges, air conditioners, freezers, pumps, heaters, finance, and service plans. Each was originated, engineered, and led by co-ops. Index to the 20 ideas is on page 23.

Editor: Hubert Kelley, Jr. This month's contributor: Louisan Mamer.

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At the first co-op meeting with dealers to be held in the nationwide sales drive, Southwest's Power Use Adviser Raymond Ricketts (left) and Manager Kenneth E. Brummell show retailers how co-op can help.

Missouri Co-op Kicks Off Campaign with Dealers

Southwest Electric Cooperative is first to plan joint drive to help local appliance stores bolster sluggish sales.

KENNETH E. Brummell, manager of Southwest Electric Cooperative, Bolivar, Mo., received his copy of REA's "Road Map to Stepped-Up Sales" on Monday, April 14.

On Tuesday, he mailed cards to all dealers participating in his co-op's finance plan, asking them to meet with him later in the week. On Wednesday, he and Co-op Power Use Adviser Raymond Ricketts were hard at work on

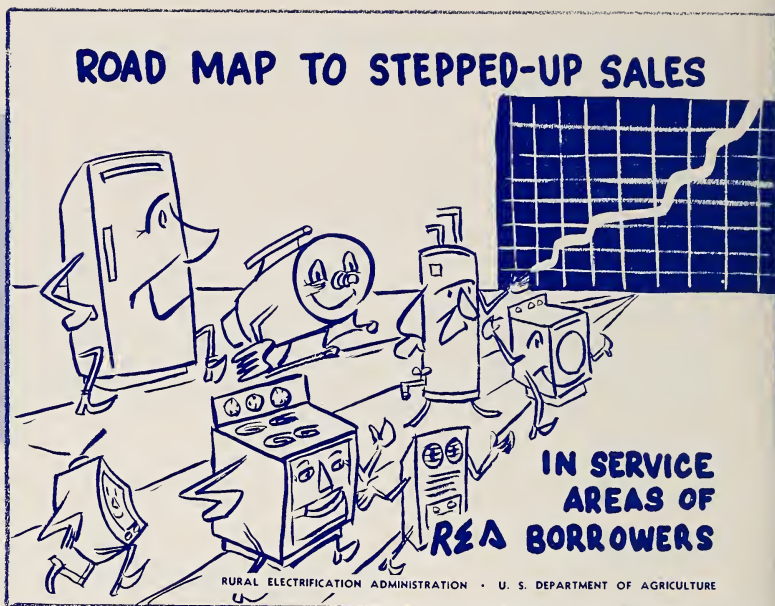
material for the meeting. On Friday morning, April 18, he phoned each dealer to repeat his invitation, and by that evening at 7:30 p.m., 27 local appliance and equipment dealers were gathered at co-op headquarters.

Two hours later, dealers left with half a dozen ideas for dealing with sluggish sales, including—

- Luminous decals for each dealer's store window and service

Editor's Note—In the latter part of March, President Eisenhower asked the Department of Agriculture to take steps to encourage sales of needed electric appliances and equipment in rural areas. On April 2, REA Administrator David A. Hamil met with a group of representatives of manufacturers and trade associations to explore possibilities. On April 11 he asked electric borrowers to begin a stepped-up sales program by meeting with dealers to plan coordinated campaigns. He suggested the period May 19 to June 14 for these meetings. This issue of RURAL LINES describes a number of successful sales promotion programs which have worked for borrowers in different parts of the United States. Each plan was tailored to local community needs, as all such programs must be. The promotions indicate that there is no shortage at the state and local levels of good practical ideas for boosting sales.

The staff of the Missouri co-op found REA's "Road Map" a valuable guide in preparing promotion ideas for presentation at the meeting with local dealers.



trucks, identifying him as a participant in the co-op's consumer finance plan.

- A rental plan, giving the renter option to buy the appliance. Small weekly rentals were considered. "A rental plan might get rid of the objection from a prospect who can't afford a down payment right away," observed one dealer.

- An open house. Two dealers present had opened stores within the past few months, but had never held an opening celebration of any sort.

- A campaign to group traffic items in special sales, so that the total amount of the sale would exceed \$50. This would make the purchase eligible for installment financing.

- A proposal to permit co-op financing of good second-hand appliances.

- A co-op offer of a free strip list of names and addresses of all members to each dealer for direct mailing use.

- A Dutch auction, in which the price of an appliance would drop each day by a fixed amount until purchased.

Brummell's hastily called but promising meeting was probably the first in the Nation in the current drive to coordinate efforts of rural electric co-ops and dealers to bolster electric appliance sales. Most meetings around the country were being set for the period May 19-June 14.

"We'll have another one then," said Brummell, "to see what more can be done."

To kick off his first meeting, the manager told dealers why he had brought them there.

"This co-op wants to do everything possible to give local business a shot in the arm," he explained, "and the national economy as well. I've asked you here to discuss ways and means of doing this."

Brummell and Adviser Ricketts then brought out some free-hand charts showing what the co-op's

power use program and 4 percent finance plan already had meant to local dealers.

The first chart showed how average kwh usage per farm per month has risen each year since 1940, from 72 kwh per month to 138 by 1952, to 181 by 1955, and to 225 by 1957.

"It kept on going up even in the drought years of 1954 and 1955," pointed out Ricketts.

Then he showed results of Southwest Electric's consumer finance plan, in which 40 dealers now participate. Since put into effect in July, 1954, the 8400-member co-op has lent more than \$437,000, he said. Outstanding paper as of the end of last March totaled nearly \$100,000.

Next, dealers took a look at the seasonal trend of appliance sales, as illustrated by the amount of finance paper purchased by Southwest Electric during each month of 1957:

January	\$9,000	July	\$13,620
February	8,045	August	13,950
March	6,330	September	7,620
April	6,265	October	11,980
May	10,570	November	8,270
June	8,145	December	7,450

"These figures," commented Manager Brummell, "do not include cash purchases, down payments, or interest on our loans. But they show the trend. Notice that May signalled an upturn of about 80 percent last year, and that July and August sales were more than double April sales. We need to make plans now to make sure sales go up that much this year."

"They'd better," interrupted one dealer, who said sales in his store had been falling off for the past 10 months.

Finally, the co-op men showed dealers some of the appliances

financed by Southwest during 1957:

Water systems	53	Ranges	20
TV sets	155	Water heaters	19
Refrigerators	49	Air conditioners	3
Fans (Over \$50)	4	Milking machines	105
Freezers	65	Vacuum cleaners	5
Washers	55	Washer-dryers	4

"The low sales of deep well pumps, refrigerators, and ranges reflect a high saturation in the area," Ricketts explained. "But that isn't true of freezers, ventilating fans, air conditioners, and dryers. Our members are just beginning to buy these items, and we should concentrate on promoting them."

Brummell then called on dealers for suggestions.

"How about starting to finance second-hand stuff?" asked one. "You've always turned thumbs down before."

"When we started financing," Brummell replied, "we were afraid that old appliances might use so much electricity that we'd scare people away from buying again. But if you have some good used merchandise, maybe we should change our thinking now. I'll take it up with the board."

Another dealer spoke up and said he thought many co-op members still were unaware of the co-op financing rates.

"We keep telling them about it, but maybe we're not saying it often enough," Brummell admitted.

Then the co-op staffers and dealers discussed a number of proposals for increasing buyer assurance. Brummell himself hit upon the idea that drew the biggest response from dealers.

"Okay," he said. "You want to advertise our finance plan. You want to reassure buyers. We'll do

this much. We'll make up decals for your windows—the kind that glow when headlights hit them—identifying each of you as a participating dealer in our 4 percent finance plan. But we'll also add the words 'Satisfaction Guaranteed.' We'll pay for the decals and give you enough for your store windows and service trucks and advertise them in our paper, if you will agree to a satisfaction-

guaranteed-or-your-money-back plan."

"Why not," said one dealer. "We guarantee satisfaction now."

"I'll buy that," said another. The plan was adopted.

"I'm glad we had this meeting," remarked one dealer on the way out. "We're back in a buyers' market for sure, and I got some ideas here to help me to do something to meet it."

Southwest Electric's Finance Plan

BEFORE Southwest Electric Cooperative adopted its own consumer finance plan in 1954, it had experimented with a number of incentive programs to increase appliance sales.

"One of the last ideas," recalled Manager Kenneth E. Brummell, "was a \$25 credit coupon book, which was issued to a member when he purchased a major appli-

area, at any rate, incentives failed to turn the trick.

"Water systems were the bugaboo," he said. "A man would spend all his money to dig a deep well. Then he would have to draw water by hand for a year until he saved enough money to buy an electric pump. Incentives weren't helping that man at all."

Brummell looked into the local finance situation. The only appliance financing available was from commercial finance companies. Local banks, unlike many in larger cities, weren't interested in installment paper. Dealers with whom he talked were unanimously enthusiastic about the idea of co-op financing.

"As a result of my investigation," Brummell remembered, "the board of directors and REA gave the nod to our own 4 percent consumer finance plan, financed out of general funds. The banks around Bolivar offered no objection; they thought it was a fine idea. In fact, two of them collect for the co-op now. And all dealers were sold from the start, since the contract terms mean they can sell appliances competitively with discount houses in the large towns and cities."

ance. He could apply it toward his electric bill at the rate of \$2.50 per month—after he paid the minimum."

But Brummell found that in his



Here's how the plan works—

- A dealer who wants to participate submits his financial statement to Southwest Electric's board of directors. The board investigates his standing and reputation. If satisfactory, he is permitted to come in on the plan.

- Installment contracts are furnished to the dealer by the co-op.

- When a co-op member makes a purchase, it is up to the dealer making the sale to investigate his credit. If satisfied, the dealer fills out the contract and endorses it.

- The contract is mailed to the co-op, along with a sales ticket showing all transactions involved in the sale.

- The co-op processes the contract, and mails the dealer a check.

- Consumers make their payments either to the dealer or to

the co-op. The co-op gets the money in the end.

- Down payments of at least 20 percent of the purchase price are required.

- The 4 percent interest rate is applied to the unpaid balance only. This means that carrying charges on a \$100 loan, repaid over 12 months, come to only \$2.17.

- If it is necessary to repossess, the dealer has to do it. In nearly 4 years of operation, however, there have been only three repossessions. In each case, the dealer made money when he resold the appliance.

"The co-op's consumer finance plan," declared one appliance dealer who has participated from the start, "was the biggest single boost to our rural business that I ever received. I can't imagine where I would be without it."

In Kansas "Satisfaction Guaranteed" **Plan Booms Dryer Sales**

IT was no accident that electric dryer sales in Kansas last year topped the national average by 15 percent—or that 4 out of 10 dryers moved in the State in 1957 were sold between October and December. The record was a direct result of a coordinated statewide promotion sponsored by the Kansas Farm Electrification Council.

During the drive, 19 participating REA electric borrowers and 4 commercial power companies added 3,403 dryers to their lines, despite poor crops in some areas.

Results were accomplished by 868 dealers who joined in the drive.

The plan is described in a form letter which dealers returned to their nearest Kansas co-op:

"We accept your invitation to participate in the Guaranteed to Satisfy Electric Clothes Dryer Campaign from September 30 to November 23, 1957.

"We will refund the purchase price to any customer on your lines to whom we have made a bona fide sale within this period and who within 30 days after installation is not satisfied with the

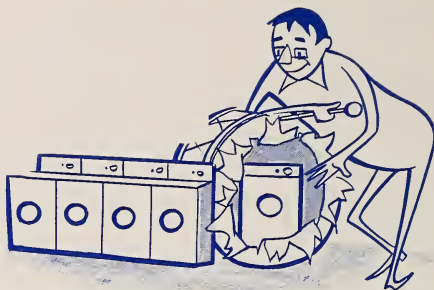
operation of the dryer. In such event, we will bill you for the actual cost of installing and removing the dryer up to a limit of \$30.00. However, we understand that dissatisfaction arising out of improper mechanical operation will be covered by our manufacturers service warranty and will be handled without cost to you."

After returning the letter, dealers were authorized to display the "Satisfaction Guaranteed" banner in their stores. They also were given tent cards, newspaper ad mats, and other campaign materials.

How the campaign worked locally is described by John Foute, Jr., representative of the Northwest Electric Association, Wakeeney, Kans.

"All four co-ops and the power company in our association advertised in newspapers and on radio and TV. Most of the dealers displayed the material we provided, and a few advertised in local newspapers.

"It was a tremendously successful program, when all factors are considered," Foute summarized. "Eighty participating dealers in the 15 northwest counties sold 291 dryers during the cam-



paign. Several combinations were also sold, but were not included in this total. *To our knowledge, not one dryer has been returned.*"

Success of the plan, Foute felt, depended on two factors: "Consumers were made dryer conscious . . . and the dealers, probably for the first time, really tried to sell electric clothes dryers."

Backing up the program and providing publicity pegs were—

- Co-op sponsored guessing contest for consumers on how many kwh a dryer uses in a month.
- Early announcement of campaign details to county extension agents.
- Use of testimonials based on test meter installations and kwh-consumption results on dryers used in typical Kansas homes.
- Dryers installed in co-op offices for trial use by consumers.

Punchy Displays Don't Have to Be Expensive



Effective co-op displays don't have to be elaborate or expensive to put across a sales message. This one in the office of the Tuscarawas-Coshocton Electric Cooperative, Coshocton, Ohio, tied in with a local water system campaign. Everyone who saw it agreed that it told the story more eloquently than words.

Arkansas Freezer Drive Thaws Consumer Pocketbooks

A \$1,000 statewide contest, aluminum foil packaging kits, 230 demonstrations, and hundreds of pink light bulbs all played their part last year in helping Arkansas borrowers to put over their biggest food freezer promotion to date.

Results: A total of 659 freezers sold by 230 dealers to members of 12 co-ops during April, May, and June, 1957.

Secret behind the success story was the cooperation between dealers and co-ops at each stage of the campaign. Everyone saw to it that he did his share—and as a result, the consumers did their share, too.

Incentive to buy during the drive was a kit of freezer wrapping and packaging material, given away free with each freezer sold during the spring months. Cost of the incentive was shared equally by the rural electric co-op and the dealer making the sale. Co-ops insisted that all participating dealers carry and display the attractive kits, so that campaign advertising could be standardized.

The Arkansas co-ops didn't overlook the fact that members who already owned freezers might want the packaging kit, too. Co-ops gave a kit to any member who brought in a prospect for a freezer—if the prospect could be sold. The dealer and co-op split this extra incentive expense, too.



To promote floor traffic for the dealers, the 12 co-ops sent free merchandise certificates to all members at the start of the campaign, along with a two-color mailing piece on freezers. When presented to a participating dealer, certificates could be redeemed for new pink "Softlite" bulbs. These traffic builders were supplied to dealers by the co-ops.

Co-ops also provided local dealers with promotion kits, assisted them in obtaining financing, publicized the names and promotions of authorized dealers, supplied them with results of market surveys, and furnished free connections for all 230-volt appliances sold.

For their part, dealers agreed to give at least one home freezer demonstration in their stores during the 3-month promotion. These how-to-do-it sessions included tips on proper preparation of food for freezing, the use of freezing materials, and methods of cooking frozen foods. Co-ops tried to send

a home economist to each demonstration.

Also, at the suggestion of co-ops, many dealers advertised a special price on a 15-cubic-foot freezer during all or part of the promotion. Dealers also agreed to make at least 25 farm calls between April and June, to advertise adequately, and to familiarize themselves with co-op rate schedules and the cost of operating food freezers.

Sponsor of the campaign was the Arkansas State Electric Co-operative, which backed a statewide contest for co-op members. Prizes of \$400, \$250, and \$150 in appliances went to the three letters on "why I want a freezer" judged best. Electric skillets went to 15 runners-up. Judges were members of the Extension Service, the Arkansas education department, and the sales staff of a Little Rock appliance distributor.

North Dakota Co-op Shows How To Stage an Old Range Round-Up

IN a round-up that corralled hundreds of old appliances, the 8,850-member Nodak Rural Electric Cooperative, Grand Forks, N. Dak., last fall put 622 new ranges, water heaters, and dryers into consumer homes.

"While it probably cost us \$20,000 to stage this campaign," declared Manager James F. Coleman, "we are sure it increased our revenue at least \$50,000 per year, not counting the benefit of the increased load to our power supplier, Minnkota Power Cooperative."



Nodak's round-up included the following steps:

Step 1—Co-op representatives met with local dealers and with distributors and manufacturers to map campaign. Nodak agreed to pay dealers \$15 to offset cost of free installation of major appliances in member homes, and promised to pay an additional \$10 for any old appliance taken in trade from a co-op member and delivered by the dealer to the co-op warehouse. Manufacturers offered their assistance in the drive, distributors agreed to pool orders and buy appliances in car-load lots to bring the price down. Individual dealers promised to offer major appliances at sale prices during the campaign, which lasted from Sept. 1 to Nov. 15, 1957.

Step 2—Nodak employed a commercial advertising agency to handle all campaign ads and to develop a promotional kit for dealers. The kit contained a banner for each of the 70 participating dealers to display in his store,

sales aids, advertising suggestions. The co-op's ad budget for the round-up ran about \$6,000.

Step 3—The co-op launched the campaign with its magazine, *The Nodak Neighbor*, listing the names of all participating dealers. Selling points for the ranges, heaters, and dryers were free installation, low-cost financing (through Nodak's own 4 percent installment purchase plan), and sky-high trade-in allowances. Manufacturers and dealers went in for extensive tie-in advertising, many working through the same ad agency employed by Nodak. Ads ran in local newspapers and over radio and television.

Results—In 2½ months, the

dealers sold 165 ranges, 275 clothes dryers, and 182 water heaters to Nodak members. Consumers tended to buy high quality merchandise, passing up the lower-priced promotional models. While not all sales involved trade-ins, several hundred old appliances were delivered to the co-op's warehouse, where they were smashed and sold for junk. Dealers, who kept and resold better trade-ins themselves, all reported that they were very happy with the drive. Finally, the round-up sparked interest in electric appliances that hasn't died yet. Nodak has kept interest alive with a permanent offer of \$15 or an electric frypan to any member who has a major appliance installed.

Virginia Co-op, Dealers Split Incentive Costs

A NEW twist to the "buy now and save" idea is being tried by the Powell Valley Electric Co-operative, Jonesville, Va.

Under the plan—called the "50-50" incentive payment—the co-op and the selling dealer each bear half of a \$20 or \$30 "saving" for members who buy electric water heaters, home freezers, or water pumps between May 1 and July 31. The dealer makes his contribution in the form of a price reduction, but the co-op pays off by check. Sixty-one retailers in Powell Valley's tri-state area are enrolled for the 1958 campaign.

Details of the co-op's 90-day savings offer were carried in a special 16-page issue of *Co-op News* mailed to all members in

April. Dealers' ads filled more than 8 pages.

The savings run to \$30 on electric water heaters and home freezers (14 cu. ft. and over) and to \$20 on electric water pumps. In addition, the first 10 members who buy water heaters from each cooperating dealer will get as a bonus from the co-op 50 pounds of washing powder and a chance on an automatic clothes dryer to be awarded after the campaign. The same bonus goes to the first 10 water pump buyers, with a drawing prize of a 50-gallon water heater. For early freezer buyers, the bonus is a season's supply of packaging material and a chance on an air conditioner.

Powell Valley limits the offer to original purchasers of new equipment bought from cooperating dealers. Other rules: Member must submit sales receipts within 10 days of purchase . . . co-op pays its half of incentive after wiring inspection.



Edward R. Slebiska, manager of the Wright-Hennepin Cooperative Electric Association, Maple Lake, Minn., tells a RURAL LINES staff writer how his appliance servicing program backs up electric appliance sales.

Q Mr. Slebiska, how did Wright-Hennepin happen to go into appliance servicing?

A We did it to fill a vacuum. When our co-op started merchandising major appliances in June 1956, there simply wasn't any service available to most of the rural families in our service area. Naturally, this condition was hurting appliance sales. So we started servicing as well as selling.

Q Were any objections raised from people already in the appliance repair business?

A There were not. Let me

OUR SERVICE

emphasize that our plan wasn't calculated to put anybody out of business. When we began, for example, there was one refrigerator repairman in town with a trade of his own. Instead of bringing in a man to compete with him, we put him on our payroll part-time. Now he still conducts his town business, while handling all refrigerator repairs for our members.

Q How many other men did you have to hire?

A Besides the refrigerator repairman, we have one full-time appliance repairman who works on ranges, washers, and dryers. So far—with only 6 to 8 repair calls a day—that's enough. We have stayed out of the TV repair field entirely.

Q How quickly do you answer a call for service?

A We try to get out to the member's home the same day he calls—if he calls early enough. All of our members live within a 35-mile radius of Maple Lake.

Q And how much do you charge for repairs?

A On everything except refrigerators, we charge a minimum of \$2.50 a call, with a maximum of \$5, including labor and transportation. We charge cost plus 20 percent for any parts used.

Q Does it cover your actual cost?

A I'm afraid not. However,

MAPLE LAKE HELPS EVERYBODY SELL

since we do some merchandising ourselves, we use the margin on appliance sales to absorb some of the loss on servicing. But I think we may raise our maximum charge before long, perhaps to \$7.50. That would come close to covering our actual expenses. The decision is up to the board of directors.

Q How about members who buy their appliances from local dealers? Do you service their appliances, too?

A Yes, we handle repairs for any member who calls us. In fact, we find that consumers turn to Wright-Hennepin the minute the appliance is out of warranty, no matter where they bought it in the first place.

Q How much for refrigerator repairs?

A We have to charge actual cost on them. Frequently, we bring the box into our shop—perhaps for a week—and leave a used one in the member's home as a temporary replacement.

Q With all the makes you have to service, don't you have to keep a substantial parts inventory?

A With some 82 brands of appliances on the market, we realized at the beginning that we couldn't keep an adequate inventory here in Maple Lake. We just keep a few of the more commonly used parts for the merchandise we sell.

At the highest, the inventory was \$350; at present, it's about \$250.

Q Then how do you get parts when you need them?

A Intercity bus service has been the answer. We are about 45 miles from Minneapolis-St. Paul, and the distributors will put our orders on the next bus leaving for Maple Lake. If we phone an order into the Twin Cities in the morning, we get the parts on the 1 p.m. bus. If we call in the afternoon, we get them by 6 p.m. It's worked out very well.

Q How do dealers in the area feel about your service plan?

A They like it. After all, the availability of adequate, reasonably priced service is an important selling point for everybody. I know that local dealers use our service to help close their sales. I know also that dealer sales of electric appliances have gone up since we began servicing, in spite of our entrance into the merchandising field.

Q Can you think of any reason why a co-op that lacks an adequate service set-up in its area shouldn't go into it?

A None whatsoever. I think it would have to go into it. It's a cinch that people won't buy many appliances if they can't get them fixed when something goes wrong. If the co-op has any sort of regular bus or train service from a city where there are parts distributors, there should be no problem.

West Coast Drive Adds 137 Water Heaters to Lines

A \$30 bonus promotion aimed at one section of an REA borrower's service area added 137 electric water heaters to the lines in just 3 months.

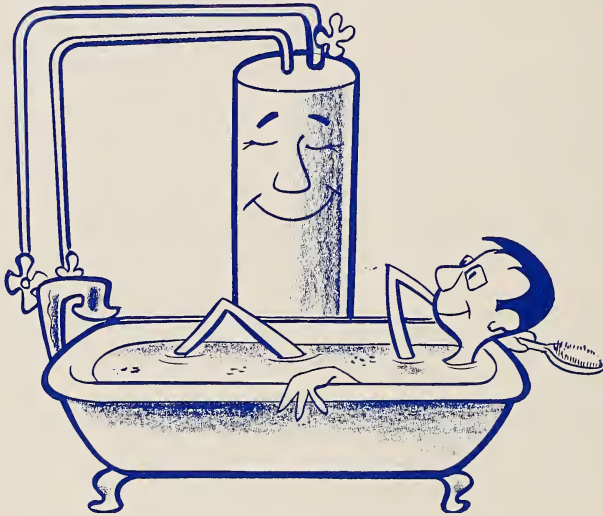
"No question about it. The campaign really placed heaters in a hurry," reports R. B. Smith, public relations director of the Inland Power & Light Co., Spokane, Wash.

Announced to consumers in In-

whether he wanted the bonus applied to the price of the water heater, to the cost of wiring needed to install it, or as a credit to his electric service account.

Upon receiving the forms, Inland applied the bonus as directed.

"When we began the campaign," Smith recalls, "we were directing it toward the northern part of our system, where the



land's monthly newsletter, the drive lasted from Jan. 1 to March 31, 1957. A consumer wishing to take advantage of the bonus offer picked up an installation certificate, claim form, and identification card at Inland's office. He then selected an electric water heater of at least 30 gallons capacity from an appliance dealer, asking the installer to fill out and sign the installation certificate.

The consumer himself signed the claim form, indicating

farms are more diversified and less prosperous than in other sections. But a number of consumers in other parts of the system used the offer to purchase their second electric water heaters—installing them in farm and dairy buildings.

"One man was just building a house when the offer was made," Smith adds. "He bought five heaters—and received the \$30 bonus on each. Naturally, that was okay with Inland."

Smith called on each dealer in the area handling water heaters before the drive began, requesting his participation. Only one or two bothered to advertise on their own, however, although Smith says two dealers held sales on 30 gallon heaters, offering good ones for \$60 or \$70.

"When you took the bonus into

consideration," points out Smith, "It meant that a consumer could buy his heater for only \$30 or \$40. That's a hard offer to pass up."

Inland's annual revenues will be increased by nearly \$5000 from the sale of more than a half a million kilowatt hours which the new water heaters will use.

Indiana Co-op Sells 161 Electric Heating Installations

WITHIN hours after an employee of Whitley County REMC, Columbia City, Ind., spots a new house going up in the area, the co-op's two-man sales engineering team goes into action to sell the owner on electric house heating.

"By moving fast, we stand a good chance of getting another all-electric home on our lines," declares Co-op Manager Richard Smith. "Since we began to promote heating in early 1956, we have sold electric heating installations in 130 new homes, 30 old ones, and one church. And we did it in *northern* Indiana."

Foundation diggings or an application for service at a new homesite tip off either Bill Ramsey or James Sherwood, both Purdue-trained co-op engineers, that there is another prospect for electric heating in the neighbor-

hood. If Ramsey or Sherwood can sell the owner on the idea—and they have a high batting average—they follow through carefully to make sure the owner gets the kind of installation he wants and deserves.

First, they submit the house plans to distributors of different types of electric heating equipment for layouts and cost estimates. The resulting information helps the home builder to decide on the type of heating to install.

When the home builder makes his selection, he gets firm bids on the job from nearby dealers. As soon as the job is contracted, co-ops advisers work with both dealer and installer to make sure that the member gets a good insulation and wiring job, and





Given time to follow through on each installation from start to finish, a co-op heating specialist can help to guarantee happy, satisfied users.

that heating, control, and ventilating equipment is properly installed.

Admittedly, this on-the-job assistance consumes a great deal of time, but Manager Smith is convinced that it is time well spent for the 4,200-member co-op.

"Our advisers have the liberty, time, and freedom to do good work," he explains. "They work at it all of the time, and have the training to give real help. Other employees handle meter testing, complaints, and miscellaneous duties, leaving Ramsey and Sherwood free to promote and implement the all-electric idea. It pays off in results."

It has also paid off in satisfied consumers, in better-trained installers, and in an increased number of sales outlets in the area for electric heating equipment.

The co-op installs a separate memo meter on each member's heating load to check operating cost calculations and to provide experience records for use in advertisements. Separate metering also makes it easy to find the real cause of a high bill complaint that might otherwise be blamed on heating.

While Smith credits Sherwood and Ramsey for the success of the program, he has backed them up with continuous promotion.

"We have discussed electric heating at our dealer association meetings, featured it at Home Shows, 4-H Fairs, and member meetings," he says. "We have published two issues of our monthly newsletter which were devoted exclusively to house heating, and we cover the subject in our member's handbook. We also will make a loan of up to \$800 for a house heating installation.

"All these things helped to change our members' attitude from one of doubt to one of acceptance and enthusiasm."

The two special issues of the newsletter, *Light Post*, are used as sales aids to show prospects the experience of other purchasers. The two issues feature photos of homes, names and addresses of their owners, and the cost of heating the homes electrically. (Operating costs run from \$116 to \$321 for the season.) These testimonials help to make selling easier.

Try Traffic Builders . . . There are lots of good promotions to attract people to stores on a Saturday, like prize drawings, open house, appliance auctions, one-cent sales, and such. But it's important to follow through on traffic-building ideas. When the traffic gets to the store, there should be something there to see—attractive displays, attractively priced merchandise, well planned demonstrations, contests that really pay off.

Ohio Borrower Launches "Do-It-Ourselves" Drive

A FULL-SCALE offensive against lagging sales, which has pulled consumers, dealers, and town organizations into the fighting ranks, has been launched by the Hancock-Wood Electric Cooperative, in North Baltimore, Ohio.

Led by Manager R. P. Luse, the co-op has challenged everyone in its service area to take part in a broad "Do-It-Ourselves" Drive.

In a recent newsletter to consumers, Assistant Memberman Jerry Sterrett outlined the co-op objectives:

"What we propose to do is to create work (for people presently unemployed) by placing orders for material, equipment, etc., for immediate delivery. Your co-op has added some men, bought some new equipment, and plans other activities to stimulate employment.

"Now here's where you come in. You too can make more jobs. What we think is needed is for you and me to do right now some of the things we have been 'thinking about.' For example: Build that extra room . . . Insulate your home . . . Remodel your kitchen . . . Put in a new and heavier electrical entrance . . . Buy some piece of needed equipment, a tractor, water system, refrigerator, lawn mower . . . Build a new home . . . Put in a street light . . . Install a yard center pole.

"If you need our advice in connection with any of these projects that involve electricity, just let us know and one of us will be out."



To secure concrete evidence of member cooperation, Hancock-Wood mailed a reply card to each consumer, asking him to list the projects he was willing to undertake "to help the U.S. economy." The names of members who respond—whether with purchases or new construction—will appear in an "Honor Roll" in subsequent issues of the Hancock-Wood newsletter. The co-op also plans to send them certificates of merit.

Member response was immediate. One replied that he would start now to build a new garage and tool shed; another promised to remodel his home this summer; still another said he would begin work at once on long-delayed construction of a milkhouse. The cards poured in.

"An encouragingly large number of replies," commented Luse, "indicate that members are going ahead with rewiring and other electrical projects. Some are buying mechanical feeding equipment for the first time. We are pushing hard for changeover to heavier service entrances."

Meanwhile, Manager Luse got the signal from his board to move ahead on other fronts. The direc-



Manager R. P. Luse engineered Hancock-Wood's unique "Do-It-Ourselves" campaign, which has pulled in consumers, dealers, and town groups.

tors approved immediate purchase of two new trucks and ladder truck equipment, as well as \$65,000 in line materials. They also authorized an accelerated maintenance program and began consideration of construction of a new "residence-office" at Findlay.

Turning to his own personnel, Luse added Engineer Robert Bradner to his staff, training him as an electric heating specialist.

"When we get rolling, I see no reason why well over 50 percent of all new homes built in our area can't be electrically heated—if we go after them," said Luse.

The manager also met with nine dealers in heat pumps to map an advertising campaign, with the co-op paying half the ad cost and dealers and the manufacturer paying the other half.

Word of the "Do-It-Ourselves" plan spread quickly. Local Chambers of Commerce asked to participate, as did a number of individual businessmen and civic leaders. The *North Baltimore News* ran stories which were quickly picked up by the larger *Bowling Green Sentinel-Tribune* and area-wide radio stations. Other co-ops wrote Luse for details, and indicated their interest.

"Lots of communities around the Nation are picking up the idea," Luse said. "They like the idea of everybody pushing hard on all fronts, and, needless to say, I do too."

They Blanketed the Area—with Blankets

IN a 45-day campaign last fall, held from Veterans' Day to Christmas, the 8,000-member Cotton Electric Cooperative at Walters, added 1,192 electric blankets to its lines in 7 southwestern Oklahoma counties.

Blanket saturation in the area now has reached 15 percent, thanks to the sales activities of 37 area dealers and 64 home demonstration clubs.

In the co-op sponsored drive, dealers sold 591 blankets, while clubs sold 601. Cotton Electric ordered the blankets in quantity lots from two sources, delivering them to participants in the cam-

paign. The quantity buy brought the cost down considerably. Dealers and clubs earned a \$2 commission for each blanket sold and members got the blankets at a good price.

Each co-op member was permitted to buy only one blanket on a time-payment plan, although he could purchase as many as he wished for cash. A credit certificate for time-purchase was mailed to each member's home, permitting him to buy a single control blanket for \$4.95 down and \$1 per month for 12 months. Members paid \$1.25 a month for dual-control blankets.

Illinois Plan Sells 626 Dryers in 2½ Months

*Premiums increase dryer saturation by
two percent in areas of 14 borrowers.*

FOURTEEN Illinois electric borrowers added a total of 626 new dryers to their lines last winter in a campaign with dealers which lasted only 2½ months.

The drive, held from Oct. 21 through Dec. 31, apparently doubled the number of members who might have been expected to buy dryers in that period.

This is the offer that pulled buyers to the stores—

Any member of the 14 participating co-ops could purchase an electric clothes dryer from his favorite dealer during the promotion period. After having it installed, inspected, and approved by an inspector from the co-op, he could receive his free choice of either an automatic toaster or an electric pressure pan (retail value, \$20).

To promote the campaign, which was originated by the Illinois state rural electric association, the co-ops ran a full page ad in the October and November issues of the *Illinois Rural Electric News*, telling details of the premium offer and including a coupon. A member could clip the coupon, buy a dryer, and get the dealer to attest that purchase had been made during the promotion weeks. The member then called the co-op to request an inspection. After the inspector signed the coupon, the member mailed it to his State association, which

mailed back a free premium. (Purchasers selected 407 pressure pans and 219 toasters as their bonuses.)

In their own service areas, individual co-ops were free to offer any additional incentives they wished, including free installation, free electricity, etc. Final tabulation of sales revealed that 3 of the 14 co-ops were responsible for about 45 percent of total dryer sales: Southwestern Electric Cooperative, Greenville, 111 dryers; Adams Electrical Cooperative, Camp Point, 98 dryers; Western Illinois Electric Cooperative, Carthage, 71 dryers.

Participants liked the plan for a number of reasons. Dealers were handed a \$20 premium to encourage the prospect to buy right away simply by signing a coupon; dealer sales totaled \$125,000. The co-ops got more dryers and small appliances on their lines by making inspections and paying the State association their share of the cost of promotion. Members got two appliances for the price of one.

Future campaigns, the Illinois planners felt, might be even more successful if manufacturers and distributors are alerted far enough in advance to coordinate their advertising and point-of-sale promotions with the co-op drives.

Key Farmers Boost Grain Dryer Sales

by Charles W. Ellis, Manager

C & W Rural Electric Cooperative Association

Clay Center, Kansas

Acceptance of farm equipment, unlike many home appliances, spreads slowly among farmers. Mr. Ellis' use of key farmers in each community to demonstrate the value of grain dryers is one of the surest ways to speed acceptance, since farm neighbors can see the results.

DURING the extremely wet summer of 1951, the losses in small grains that our consumers suffered caused us to take a closer look at the possibilities of drying and saving wet grain for storage with forced air ventilation. By early summer of 1952, we were convinced it was practical and decided to launch an educational campaign to sell the idea to our consumers.

However, we met a number of handicaps. The farmers themselves had to be shown and we had no example to point out to them. There was not too much information available, and some of what was available we weren't in accord with. There was not a dealer in our service area handling the type of equipment we wanted to push.

We decided the best plan was to concentrate on a few key farmers—one in each community—and to try to sell them on the idea, hoping their leadership would be valuable to us later on. The first to cooperate with us was our own board president, Fred Yarrow, who raises and sells certified seed wheat. We borrowed a fan from Kansas State College and fur-

nished a motor to power it. Fred installed the duct work with our assistance. He was, of course, skeptical of the results at first but the first year's experience sold him 100%.

The next year we bought 10 fans and motors and succeeded in getting them placed as we desired. All results were satisfactory and the next year we placed about that many more and increased our efforts to establish local dealers. However, dry weather had set in, crop prospects were not too good and it appeared that the least of our farmers' problems would be to get dry what little grain they might have. But each year, we put out a few more fans and each farmer who used one was more than satisfied.

Then came the spring and early summer of 1957—five years from the start of the promotion—and business began to pick up. We have several dealers established now and I'm sure we'll have more by next summer. We think it is not unlikely that in three more normal years we will have 50% saturation.

As a load building item, grain

drying in itself is not too spectacular. But the indirect results obtained are more important. The farmer realizes what electricity can do for him with a low investment and a low operating cost. His net income is improved and he is in a good frame of mind to give electricity a chance to do other jobs for him. He also has a motor and wiring in his buildings inviting him to make use of them the year 'round. He'll find a way to do it.



North Carolina **Borrowers Aim for 100% Electric Range Saturation**

SUCCESSFUL appliance promotions don't have to be one-shot affairs. Co-ops in North Carolina, aiming toward a long-range goal of 100 percent electric range saturation in their service areas, move closer to their objective each year in what amounts to a continuous sales campaign. Variations in the incentives offered to members keeps interest alive.

Members get periodic progress reports on the range programs, too. "At the beginning of 1957," stated a newsletter story of the Blue Ridge Electric Membership Corp., Lenoir, N. C., "approximately 50 percent of our mem-

bers were cooking electrically. Nearly 2,000 of our members indicated they were going to change to electric cooking. Many of this group and others have already changed."

Blue Ridge, which helped local dealers sell 290 ranges during the months of May and June alone last year, keeps changing its promotion program from time to time. During one drive, it offered \$2.00 worth of free electricity each month for 6 months to range purchasers. It has offered free installation. It has offered a \$5.00 bonus check. Each campaign picks up a few more buyers.

Sponsor a Baseball Contest

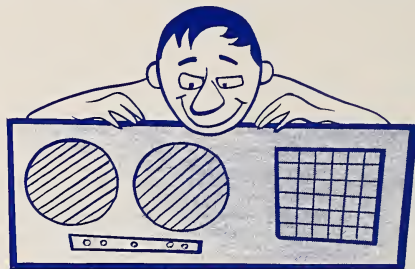
Salesmen go for exciting contests. Why not sponsor one for all salesmen of local dealers, letting them win points toward prizes according to the kwh revenue that will come in from each sale? Variations of the baseball contest are popular. For example, a washer can be a single; an electric blanket, a double; a dryer, a triple; an air conditioner, a home run. Merchandise can be awarded for so many runs, with a grand prize for the salesman with the highest batting average.

Tennessee Co-op Cuts Air Conditioner Price

"SAVE the cost of installing your air conditioner, and get \$10 off the retail price," the Pickwick Electric Cooperative told its members in a flyer mailed last June. By August, 55 members had taken advantage of the offer, with dealers standing the cost of free installation and the Selmer, Tenn., co-op paying the \$10 discount.

"We'll do better if it's hotter this summer," Manager William Roberts predicts. "Last summer people bought air conditioners chiefly to control humidity; we had 72 inches of rainfall in 1957."

In its promotion from June 15



to July 15 last year, McDonough Power Cooperative, Macomb, Ill., distributed 50 frypans as bonuses to members purchasing $\frac{3}{4}$ ton or larger air conditioners from local dealers. This year's promotion will provide free installation and free electricity—40 kwh a month for 6 months—to any member installing a 230-volt air conditioner.

Shotgun Bonus Plan Hits Bullseye

OUT in Circle, Mont., the McCone County Electric Cooperative ran a 2-month "shotgun" bonus promotion last winter, offering a flat \$20 in cash to any member who bought any major appliance from a local dealer.

With fewer than 3,000 members, the campaign paid off. Purchases in November and December included 93 dryers, 61 electric water heaters, and 27 ranges.

Appliance Auctions Stir Consumer Interest

THERE'S nothing like an auction to draw crowds. Last summer, when the Arkansas annual meeting caravan hit the road to 14 co-ops, more than 90,000 consumers turned out for a series of new appliance auctions. Distributors supplied the merchandise to advertise their business and brand names.

Variations of the auction idea—including the Dutch Auction, in which the price of an advertised item drops a set amount each hour or day—have been successful in many communities. A good auctioneer can include a sales talk as he offers each type of item, and dealers have found that merchandise usually sells well above cost—particularly if there is a good turnout for the sale.

Alabama Co-ops

Map

Coordinated Campaigns

TAILORING their plans to successful campaigns staged by individual co-ops, Alabama borrowers have mapped their first full year of coordinated appliance

Louisiana Tries

Advertising copywriters know that words and slogans get "tired" with prolonged usage. To brighten up its promotional copy, the Southwest Louisiana Electric Membership Corp., Lafayette, La., switched from a "free installation" campaign to a "Bonus Bucks" drive, and awakened new member interest.

During a drive last fall, the co-op offered to apply 25 bonus bucks to a member's account if he

promotions for the State.

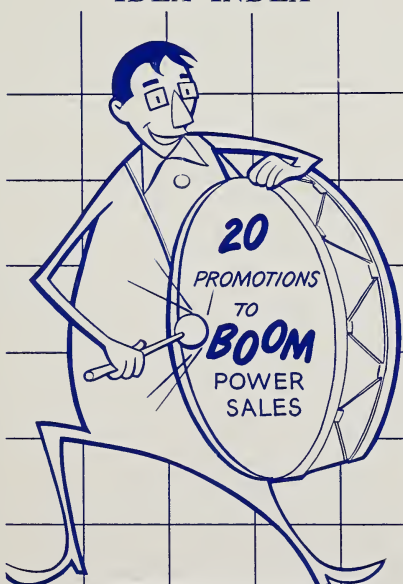
Co-op managers and power use advisers met on February 14 with appliance distributors, and extension and TVA personnel to launch the statewide campaign. During the one-day session, plans were made for a summer freezer drive, an autumn range promotion, and a spring-fall small appliance promotion. Campaigns on electric heating and other items may be added later this year.

"Bonus Bucks"

purchased either an electric range or an electric water heater from a licensed dealer. The appliances had to be new and had to be for homes not previously wired for such appliances.

SLEMCO also offered 7 bonus bucks for each permanently installed bathroom electric heater, \$10 for each 240-volt electric heater, and \$50 for each electric heat pump installation.

IDEA INDEX



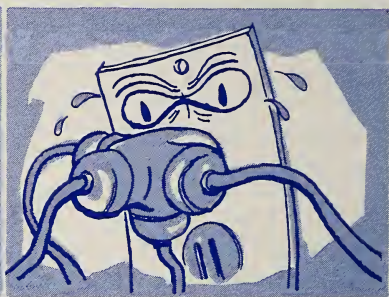
	Page
1. Air Conditioner Discounts	22
2. Appliance Auctions	22
3. Appliance Service Plan	12
4. Baseball Contest	21
5. Bonus Bucks	23
6. Club & Dealer Blanket Sale	18
7. Continuous Range Promotion	21
8. Co-op Finance Plan	6
9. "Do-It-Ourselves"	17
10. 50-50 Incentives	11
11. Freezer Kits	9
12. House Heating Team	15
13. Key Farmers	20
14. Old Range Round-up	10
15. Participating Dealer Decals	3
16. "Satisfaction Guaranteed"	7
17. Traffic Builders	16
18. TV Spots	24
19. Two-for-one Dryer Plan	19
20. Water Heater Bonus Drive	14

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